

AMENDED IN SENATE AUGUST 15, 2006

AMENDED IN SENATE JUNE 29, 2006

AMENDED IN SENATE JUNE 20, 2006

AMENDED IN ASSEMBLY APRIL 18, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2985

**Introduced by Assembly Member Maze
(Coauthor: Assembly Member Bass)**

February 24, 2006

An act to ~~amend Section 1785.11 of the Civil Code, and to add~~ Section 10618.6 to the Welfare and Institutions Code, relating to identity theft.

LEGISLATIVE COUNSEL'S DIGEST

AB 2985, as amended, Maze. Foster youth: identity theft.

Existing law requires the placement of dependent children by the juvenile court according to specified procedures. Existing law requires the State Department of Social Services to administer every phase of the administration of public social services, except as specified. Existing law also requires the state, through the department and county welfare departments, to establish and support a system of statewide child welfare, which includes services related to foster care placement of dependent children and adoption.

This bill would require a county welfare department to ~~conduct a credit check~~ *request a consumer disclosure, pursuant to federal law*, on behalf of a youth in a foster care placement in the county, when the youth reaches his or her 16th birthday, in order to ascertain whether

the youth has been the victim of identity theft. If the ~~credit check~~ *discloses consumer disclosure reveals* any negative items, or evidence that identity theft has occurred, the bill would require the county welfare department to refer the youth to ~~a credit counseling~~ *an approved* organization that provides ~~credit counseling and investigative~~ services to victims of identity theft. The bill would require the department to develop a list of approved ~~credit counseling~~ organizations for this purpose, in consultation with the County Welfare Directors Association *and others*. By requiring county welfare departments to perform new duties with respect to children in foster care placement, this bill would impose a state-mandated local program.

~~Existing law, the Consumer Credit Reporting Agencies Act, requires a consumer credit reporting agency to furnish a consumer credit report under designated circumstances.~~

~~This bill would authorize a consumer credit reporting agency to furnish a consumer credit report to a county welfare department requesting that report for the purposes set forth in the bill.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 1785.11 of the Civil Code is amended~~
- 2 ~~to read:~~
- 3 ~~1785.11. (a) A consumer credit reporting agency shall~~
- 4 ~~furnish a consumer credit report only under the following~~
- 5 ~~circumstances:~~
- 6 ~~(1) In response to the order of a court having jurisdiction to~~
- 7 ~~issue an order.~~
- 8 ~~(2) In accordance with the written instructions of the consumer~~
- 9 ~~to whom it relates.~~

1 ~~(3) To a person whom it has reason to believe:~~

2 ~~(A) Intends to use the information in connection with a credit~~
3 ~~transaction, or entering or enforcing an order of a court of~~
4 ~~competent jurisdiction for support, involving the consumer as to~~
5 ~~whom the information is to be furnished and involving the~~
6 ~~extension of credit to, or review or collection of an account of,~~
7 ~~the consumer; or~~

8 ~~(B) Intends to use the information for employment purposes;~~
9 ~~or~~

10 ~~(C) Intends to use the information in connection with the~~
11 ~~underwriting of insurance involving the consumer, or for~~
12 ~~insurance claims settlements; or~~

13 ~~(D) Intends to use the information in connection with a~~
14 ~~determination of the consumer's eligibility for a license or other~~
15 ~~benefit granted by a governmental instrumentality required by~~
16 ~~law to consider the applicant's financial responsibility or status;~~
17 ~~or~~

18 ~~(E) Intends to use the information in connection with the~~
19 ~~hiring of a dwelling unit, as defined in subdivision (c) of Section~~
20 ~~1940; or~~

21 ~~(F) Otherwise has a legitimate business need for the~~
22 ~~information in connection with a business transaction involving~~
23 ~~the consumer.~~

24 ~~(4) To a county welfare department requesting the information~~
25 ~~pursuant to Section 10618.6 of the Welfare and Institutions Code.~~

26 ~~(b) A consumer credit reporting agency may furnish~~
27 ~~information for purposes of a credit transaction specified in~~
28 ~~subparagraph (A) of paragraph (3) of subdivision (a), where it is~~
29 ~~a credit transaction that is not initiated by the consumer, only~~
30 ~~under the circumstances specified in paragraph (1) or (2), as~~
31 ~~follows:~~

32 ~~(1) The consumer authorizes the consumer credit reporting~~
33 ~~agency to furnish the consumer credit report to the person.~~

34 ~~(2) The proposed transaction involves a firm offer of credit to~~
35 ~~the consumer, the consumer credit reporting agency has complied~~
36 ~~with subdivision (d), and the consumer has not elected pursuant~~
37 ~~to paragraph (1) of subdivision (d) to have the consumer's name~~
38 ~~excluded from lists of names provided by the consumer credit~~
39 ~~reporting agency for purposes of reporting in connection with the~~
40 ~~potential issuance of firm offers of credit. A consumer credit~~

~~reporting agency may provide only the following information pursuant to this paragraph:~~

~~(A) The name and address of the consumer.~~

~~(B) Information pertaining to a consumer that is not identified or identifiable with a particular consumer.~~

~~(c) Except as provided in paragraph (3) of subdivision (a) of Section 1785.15, a consumer credit reporting agency shall not furnish to any person a record of inquiries solely resulting from credit transactions that are not initiated by the consumer.~~

~~(d) (1) A consumer may elect to have his or her name and address excluded from any list provided by a consumer credit reporting agency pursuant to paragraph (2) of subdivision (b) by notifying the consumer credit reporting agency, by telephone or in writing, through the notification system maintained by the consumer credit reporting agency pursuant to subdivision (c), that the consumer does not consent to any use of consumer credit reports relating to the consumer in connection with any transaction that is not initiated by the consumer.~~

~~(2) An election of a consumer under paragraph (1) shall be effective with respect to a consumer credit reporting agency, and any affiliate of the consumer credit reporting agency, on the date on which the consumer notifies the consumer credit reporting agency.~~

~~(3) An election of a consumer under paragraph (1) shall terminate and be of no force or effect following notice from the consumer to the consumer credit reporting agency, through the system established pursuant to subdivision (c), that the election is no longer effective.~~

~~(e) Each consumer credit reporting agency that furnishes a prequalifying report pursuant to subdivision (b) in connection with a credit transaction not initiated by the consumer shall establish and maintain a notification system, including a toll-free telephone number, that permits any consumer, with appropriate identification and for which the consumer credit reporting agency has a file, to notify the consumer credit reporting agency of the consumer's election to have the consumer's name removed from any list of names and addresses provided by the consumer credit reporting agency, and by any affiliated consumer credit reporting agency, pursuant to paragraph (2) of subdivision (b). Compliance with the requirements of this subdivision by a consumer credit~~

1 ~~reporting agency shall constitute compliance with those~~
2 ~~requirements by any affiliate of that consumer credit reporting~~
3 ~~agency.~~

4 ~~(f) Each consumer credit reporting agency that compiles and~~
5 ~~maintains files on consumers on a nationwide basis shall~~
6 ~~establish and maintain a notification system under paragraph (1)~~
7 ~~of subdivision (e) jointly with its affiliated consumer credit~~
8 ~~reporting agencies.~~

9 ~~SEC. 2.~~

10 *SECTION 1.* Section 10618.6 is added to the Welfare and
11 Institutions Code, to read:

12 10618.6. When a youth in a foster care placement reaches his
13 or her 16th birthday, the county welfare department shall ~~conduct~~
14 ~~a credit check request a consumer disclosure, pursuant to the~~
15 ~~free annual disclosure provision of the federal Fair Credit~~
16 ~~Reporting Act, on the youth's behalf, notwithstanding any other~~
17 ~~provision of law, to ascertain whether or not identity theft has~~
18 ~~occurred. If the credit check discloses there is a disclosure for~~
19 ~~the youth and if the consumer disclosure reveals any negative~~
20 ~~items, or any evidence that some form of identity theft has~~
21 ~~occurred, the county welfare department shall refer the youth to a~~
22 ~~credit an approved counseling organization that provides credit~~
23 ~~counseling and services to victims of identity theft, to investigate~~
24 ~~and take actions needed to clear the youth's credit history, in~~
25 ~~order to facilitate self-sufficiency for the youth. The State~~
26 ~~Department of Social Services, in consultation with the County~~
27 ~~Welfare Directors Association, consumer credit reporting~~
28 ~~agencies, and other relevant stakeholders, shall develop a list of~~
29 ~~approved credit counseling organizations to which youth may be~~
30 ~~referred for assistance in responding to an instance of suspected~~
31 ~~identity theft. Nothing in this section shall be construed to require~~
32 ~~the county welfare department to conduct request more than one~~
33 ~~credit check consumer disclosure on behalf of a youth in care, or~~
34 ~~to take steps beyond referring the youth to an approved credit~~
35 ~~counseling organization for assistance in responding to an~~
36 ~~instance of identity theft organization.~~

37 ~~SEC. 3.~~

38 *SEC. 2.* If the Commission on State Mandates determines
39 that this act contains costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be

- 1 made pursuant to Part 7 (commencing with Section 17500) of
- 2 Division 4 of Title 2 of the Government Code.

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